



# United States Department of the Interior

## Bureau of Land Management

Uncompahgre Field Office  
2505 South Townsend Avenue  
Montrose, Colorado 81401



### FINDING OF NO SIGNIFICANT IMPACT/DECISION RECORD Environmental Assessment (EA) No. CO-150-2003-046 EA Gunnison Energy Corporation's Proposed Exploratory Gas Drilling Project Gunnison County, Colorado

#### **Finding of No Significant Impact**

Based on the analysis of potential environmental impacts contained in the Gunnison Energy Corporation's Proposed Exploratory Gas Drilling Project Environmental Assessment CO-150-2003-046, I have determined that the proposed project on BLM managed surface is in conformance with the Uncompahgre Basin Resource Management Plan, 1989, and with the BLM standard practices applied to surface-disturbing activities, and the additional environmental protection measures identified in the EA, the project will not have significant impacts on the human environment and an Environmental Impact Statement is not required. The proposed action described in the EA is to drill two exploration gas wells on BLM managed surface. The project area is in the North Fork Valley, northeast of Somerset, Colorado.

#### **The Decision Record**

It is my decision to authorize the Proposed Action Alternative with Conditions of Approval as described in Gunnison Energy Corporation's Proposed Exploratory Gas Drilling Project Environmental Assessment (EA CO-150-2003-046). Under this alternative, Gunnison Energy will drill two exploration gas wells (Hawksnest Fed 13-90 #1-2 and Thompson Creek Fed 12-90 #1-35), construct 105 feet of new road and use 13,825 feet of existing roads on BLM managed surface. The total surface disturbance for the two well pads and roads is 14 acres. The Conditions of Approval (Appendix 1) are specifically designed for this project to minimize impacts to the resources. It is my conclusion that selection of the Proposed Action Alternative with the Conditions of Approval will adequately mitigate impacts associated with the Hawksnest Fed 13-90 #1-2 and the Thompson Creek Fed 12-90 #1-35 well sites. The Hawksnest Fed 13-90 #1-2 well is located on oil and gas lease COC65117 in the SE1/4NW1/4 of Sec. 2, T13S, R90W, 6thPM. The surface location of the Thompson Creek Fed 12-90 #1-35 is NE1/4NE1/4 of Sec. 2, T13S, R90W, 6thPM, and the bottom hole location is on oil and gas lease COC65529, SW1/4SE1/4 of Sec. 35, T12S, R90W, 6thPM. See Map 1. This decision is in full force and effect per 43 CFR 3165.3 (b).

This decision includes granting FLPMA access road and drill site rights-of-way, COC-66811 and COC66812, to Gunnison Energy Corporation for 10 year terms consistent with the leases and subject to the Surface Use Plans and Conditions of Approval contained in the approved APDs. The dimensions of the off-lease road right-of-way COC66811 which provides access to the Hawksnest and Thompson Creek well sites along the existing Coal Gulch Road is 13,825 feet long by 30 feet wide and contains approximately 9.5 acres. This right-of-way also authorizes the off-lease Thompson Creek drill site which is 230 feet by 280 feet and contains approximately 1.4 acres. This right-of-way crosses public land in Sec. 2 and 3, T13S, R90W, 6<sup>th</sup> PM as shown on Figure B-10 of Volume II Appendices of the EA. The dimensions of the off-lease road right-of-way COC66812 which provides access to the Hubbard Creek and Oakbrush well sites (on Forest Service land) along the existing Bear Creek Road is 7,970 feet long by 30 feet wide and

contains approximately 5.5 acres. This right-of-way crosses public land in Sec. 36, T12S, R91W, Sec. 7 and 18, T13S, R90W, and Sec. 1, T13S, R91W, 6<sup>th</sup> PM as shown on Figure B-9 of Volume II Appendices of the EA. Pages 2-7 and 2-8 of the EA states that approximately 4,220 feet on Bear Creek Road would be off-lease right-of-way on BLM lands. The right-of-way is actually 7,970 feet long instead. No new upgrade work (i.e., widening or culvert installation) would be required for this road, therefore the EA analysis is accurate and this Decision Record only changes the right-of-way length. This decision is in full force and effect per 43 CFR 2804.1(b).

### **Rational for Decision**

The decision to allow the proposed action does not result in any undue or unnecessary environmental degradation and is in conformance with the 1989 Uncompahgre Basin Resource Management Plan. It has been made in consideration of the impacts to the affected resources. Conditions of Approval have been applied to the proposed action which will meet or exceed the standards for Public Land Health.

In reaching this decision and in my determination of the Finding of No Significant Impact, I considered the above referenced EA, the errata sheet and public comments received during the 30-day scoping and the 30-day public review period. The Response to Comments and Errata sheet are found in Appendix L of the EA.

Best available data was used in the preparation of this EA. Another EIS for this area would not, in all likelihood, provide any significant new information. These lands have been leased for oil and gas development under the provisions of the Mineral Leasing Act, 1920, 30 USC 181 et. seq., as amended.

The no significant impact determination is based on the following:

- Extensive site-specific mitigation measures are included in the ADP Surface Use Plan, and attached Conditions of Approval, and will be attached to the approved Applications for Permit to Drill (APD). These mitigation measures are directed toward reducing short and long term impacts to air, soils, water quality (surface and groundwater), vegetation, wildlife, threatened and endangered, proposed, candidate or sensitive species, visual, cultural resources, and recreation, transportation, hazardous materials, and safety.
- After mitigation measures are applied, surface and subsurface disturbances are not of significant scale in terms of context or intensity.
- With the application of these mitigation measures, the wells and associated roads will not contribute significantly to the cumulative impacts to the region as a result of oil gas exploration.

The EA addressed two alternatives, the No Action and Proposed Action Alternatives. Three other alternatives: Other Well Locations, Alternative Other Drilling Methods, and Seismic Exploration were considered but eliminated from the EA analysis. The Other Well Location was not considered because as part of the well site selection process BLM evaluated the two BLM sites, and the Thompson Creek site was moved as a result of resource concerns. Alternative Drilling Methods were considered in the Proposed Action and the Seismic Exploration Alternative would not yield the desired data on quantity and quality of gas present. The No Action Alternative was not selected because it does not recognize Gunnison Energy Corporation's valid right to explore for oil and gas resources on existing leases.

## **Public Involvement**

The BLM and USFS initiated a public scoping process during which the public, appropriate agencies, and specific interested parties, had the opportunity to submit written comments on the proposed project. This scoping process included a 30-day comment period from December 30, 2002 through January 31, 2003, for submittal of written comments. The USFS and BLM published notices inviting comments for scoping on the proposed project in the *Grand Junction Daily Sentinel*, on December 28, 29 and 30, 2002. News releases on scoping were submitted to the *Grand Junction Daily Sentinel*, *Mountain Valley News*, *Delta County Independent* and *Montrose Daily Press*. A notification letter was sent to about 950 known interested parties on December 30, 2002.

A public scoping open house was held on January 22, 2003, in Hotchkiss, Colorado to give the public an opportunity to ask questions about the proposed project and to provide an additional opportunity for the public to submit written comments. Thirty-eight individuals signed the open house attendance register. Scoping comments were received from 279 parties either in writing, via the scoping open house, by telephone or email.

Scoping input was reviewed, analyzed, and summarized to represent the issues and concerns of the respondents. Based on the issues and concerns of the respondents, and in response to the issues raised (Section 2.3 and 2.4 of the EA), alternatives were developed that address both the project issues and the purpose and need for the project, as described in Section 2.5 in the EA.

Following the preparation of the EA, it was sent for a 30-day public review from May 23, 2003 through June 23, 2003. The EA was mailed to 285 addressees. A legal notice announced the availability of the EA for public review and comment appeared in the in the *Grand Junction Daily Sentinel* on May 23, 2003, and again on May 24, 2003. A news release appeared in the *North Fork Times* on May 28, 2003. News releases were also sent to the *Montrose Daily Press* and the *Mountain Valley News*. One hundred ten (110) parties commented on the EA during the comment period. The Response to Comments are contained in Appendix L of the EA.

BLM reviewed all comments. There were no substantive comments that necessitated the BLM to revisit the proposed project though additional NEPA procedures.

## **Compliance and Monitoring**

The mitigation measures, which contain provisions for monitoring and compliance, have been developed for the proposed action and are incorporated by reference into this decision. Normal routine compliance inspections will take place periodically throughout the life of the project. The inspections will be designed to monitor environmental effects of the project and to insure that the operator complies with the Conditions of Approval and stipulations identified above. Compliance actions are to insure that these operations are conducted in accordance with the terms and conditions of the approval and associated stipulations, the elements of the proposed action, BLM standard practices for surface-disturbing activities and the mitigation measures listed in the EA.

/s/ Allan J. Belt

9/5/03

Field Manager  
Uncompahgre Field Office

Date

## **ATTACHMENTS:**

Map 1

Appendix 1 - Conditions of Approval for Hawksnest Fed 13-90 #1-2 and Thompson Creek Fed 12-90 #1-35

## Appendix 1

SURFACE USE CONDITIONS OF APPROVAL  
Gunnison Energy Corporation  
Thompson Creek Fed 12-90 #1-35  
NE1/4NE1/4 of Sec. 2, T13S, R90W, 6thPM (Surface)  
Federal Oil and Gas Lease COC-65529 (Bottom Hole)  
Hawksnest Fed 13-90 #1-2  
Federal Oil and Gas Lease COC-65117 (Surface and Bottom Hole)  
Gunnison County, Colorado  
Right-of-way COC66811 for Coal Gulch Road and Thompson Creek well site  
Right-of-way COC66812 for Bear Creek Road

**Approval of this APD is subject to all terms and conditions set forth in the APD surface use plan, any surface owners agreement and the following Conditions of Approval which take precedence.**

**This approved APD is for a well location and associated road as identified in the APD package. If the Thompson Creek Fed 12-90 #1-35 and Hawksnest Fed 13-90 #1-2 wells become producers, additional NEPA and right-of-ways will be required.**

1. The operator or his contractor will contact the authorized officer at the Uncompahgre Field office in Montrose, Colorado (970) 240-5305, 48 hours before work is initiated, and 48 hours prior to beginning site reclamation.
2. Prior to mobilizing onto BLM lands, all equipment will be washed and cleaned to prevent spread of noxious weeds.
3. The Spill Prevention, Control and Countermeasure Plan/Health and Safety Plan, the Storm Water Pollution Prevention Plan, Noxious Weed Management Plan, the Fire Prevention and Suppression Plan and the Surface Use Agreement will be submitted to the BLM for review and approval prior to operations commencing.
4. Lessee's and Operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner which (1) conforms with applicable Federal laws and regulations, and (2) with State and local laws and regulations to the extent that such State and local laws are applicable on Federal leases.
5. The operator must notify the USFS and/or BLM of any changes to surface operating plans to secure additional approvals, if needed.
6. A preconstruction site meeting will be held with the BLM to review road and pad designs. A person designated by the company to make decisions will be on site during initial disturbance and set up.
7. Prior to any surface disturbance, a Boundary Line Survey will be performed by a Professional Land Surveyor at the USFS/BLM boundary in the vicinity of the Thompson Creek well site to ensure no encroachment into the IRA. The survey will be marked to FS specification.
8. Design soil stockpiles to minimize risk of wind and soil erosion. The maximum depth will be 4 feet to protect the soil structure.
9. Activities may be curtailed during periods when the soil and/or road subgrade is saturated. This possible restriction would be determined by the BLM. Use of heavy construction equipment would be limited to times when the soil is least susceptible to compaction or rutting.
10. If a spill occurs, contaminated soil will be removed from BLM lands, and be properly disposed of prior to backfilling and reclamation.

11. Use site preparation methods to conserve fertile, friable topsoil essentially intact.
12. No refueling or lubricating would take place within 100 feet of wetlands and other waterbodies or drainages. Hazardous materials, chemicals, fuels, etc. would not be stored within 100 feet of wetlands or surface waters unless it is within the confines of the constructed drill pad.
13. Prior to pit reclamation, pit residue would be tested for chemicals listed in Appendix C of the EA. If hazardous constituents are present, the materials would be removed from BLM lands and properly disposed.
14. Sedimentation devices will be used along roads and drill pads as directed by the BLM representatives. Devices may include, but are not limited to silt fence, excelsior bales, straw wattles, etc.
15. **If** an exploration well is found to be capable of production **and if** fresh ground water zones are encountered during exploration drilling, the Operator will install a groundwater monitoring well adjacent to the specific gas well. The groundwater wells will be completed to monitor the fresh ground water zone(s). If a groundwater well is installed, it will be monitored on a semi-annual basis for water level, total petroleum hydrocarbons, benzene, toluene, ethylbenzene, xylene, specific conductance, total dissolved solids, pH, sulfate, nitrate, nitrite, ammonia, methane, hydrogen sulfide, selenium and barium. Data reports will be submitted to the BLM within one month after the lab analyses are complete.
16. If a well produces water at volumes greater than 1,500 bpd after 60 days of continuous operation, and if this water is less than 2,000 mg/l TDS, the gas well would be shut in until it can be determined whether the source of the water is or is not interconnected with shallow water-bearing units or surface water.
17. Vegetation removal would be minimized by lopping and scattering slash to a depth of no more than 18 inches. Some material may be mulched for use on site during reclamation.
18. All pits, cellars, rat holes, or other holes unnecessary for further operations would be backfilled immediately after the drill rig is released.
19. To facilitate timely reclamation, reserve pits may need to be pumped of fluids. All enhanced evaporation of the reserve pit fluids shall have prior approval of the authorized officer. After reshaping the site, the topsoil material should be distributed to a uniform depth to allow establishment of desirable vegetation. The disturbed area would be scarified prior to placement of surface soil material.
20. Annual coordination with the BLM is required to avoid conflicting with the grazing, coal, recreation and other uses of the Coal Gulch Road.
21. With respect to bald and golden eagle nest sites and winter roosts which may be established:
  - a. No new permanent surface facilities or disturbances shall be located within a 1/4 mile radius buffer zone around each bald or golden eagle nest site.
  - b. No above ground activities will be allowed within a 1/2 mile radius buffer zone around each active eagle nest site from November 15 to July 30 for bald eagles, and around each active golden eagle nest site from February 1 to July 15.
  - c. No above ground activities will be allowed within a 1/4 mile radius of winter roosts between November 15 and March 15; development may be permitted at other periods. If periodic visits are required within the buffer zone after development, activity should be restricted to the hours of 10 a.m. and 2 p.m. from November 15 through March 15.

- d. Any proposed surface facilities, disturbances or activities (noted above) in, or adjacent to, these buffer zones will require approval from the BLM on a site-specific basis, after consultation with the USFWS.
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- 22. Project-related personnel will ensure that equipment operators know that the removal, injury, defacement, or alteration of any object of archaeological or historic interest is a federal crime and may be punishable by fine and/or jail term.
  - 23. The operator and the BLM will conduct a pre-use road condition assessment for affected BLM roads.
  - 24. Any project-related damage to any roads must be repaired as soon as possible to avoid adverse impacts on other authorized road uses on BLM lands.
  - 25. Streams will be crossed at right angles, and on as gentle a grade and slope as possible. Install all crossings in a manner to maintain stable channel conditions and favorable water quality and aquatic habitat as directed by the BLM.
  - 26. Dust abatement will be required on all project-related roads. Water will be the primary dust control measure. Other methods may need to be used as directed by the USFS or BLM.
  - 27. Disposal records of all waste streams must be current and well maintained. Copies of the records will be forwarded to the BLM at the completion of drilling.
  - 28. Control and containment mitigation would be included in the SPCC Plan, Emergency Response Plan, and Safety Plan in the event of a release of a hazardous substance or material. The plans would be provided to BLM prior to construction onsite so approval could be completed prior to any disturbance operations.
  - 29. The Operator will specifically address the following measures in the SPCC for handling of a leak, spill or release event:
    - a. Identification of the chemical parameters and sampling requirements to be analyzed in the event of a spill, leak or release, for each petroleum product or hazardous substance handled in or transported onto the drill sites;
    - b. How a spill would be prevented and/or how amount would be minimized from reaching surface water;
    - c. List the required contacts for federal, state, and local agencies regarding reportable spills or leaks;
    - d. How documentation will be maintained over time pertaining to the circumstances of releases, amount and duration of release, the measures taken to control the release, and the measures taken to minimize or mitigate the impacts from the release;
    - e. How released material that has not reached surface water will be recovered;
    - f. Plans to collect water samples documenting the duration and severity of any release that could reach surface water (near the release site, and at impacted downstream locations within the zone of impact).
  - 30. All releases (unless the reportable spill quantity is less than 10 gallons) of any substance to soil or water would be immediately reported to BLM and USFS Compliance Officers (names will be provided

in the SPCC). Containment of the spill will occur immediately, clean up of a spill will occur within 3 days, or as soon as practicable and proof of cleanup provided for the record.

31. To further facilitate coordination with local emergency services, GEC would provide mapped locations of the proposed well sites, including GPS location (latitude/longitude) and MSDS sheets in the SPCC Plan, Fire Prevention Plan, Health and Safety Plan to the Federal agencies with responsible for drilling activities. A courtesy copy will be provided to the respective emergency services personnel, as applicable, in advance of any exploration drilling activities. In addition, the operator would have phones or radios onsite, as appropriate, to provide accessibility to emergency services.